GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Mines & Minerals – District Mineral Foundation Trust Rules, 2016– Amendments –Notification – Orders - Issued.

INDUSTRIES & COMMERCE (MINES-II) DEPARTMENT

G.O.MS.No. 145 Dated: 06-08-2025

Read the following:

1.G.O.Ms. No. 36, Ind & Com (M.II) Dept., dated14.03.2016
2.G.O.Ms. No. 46, Ind & Com (M.II) Dept., dated06.04.2016
3.G.O.Ms. No. 1, Ind & Com (M.II) Dept., dated 03.01.2017
4.G.O.Ms. No. 73, Ind & Com (M.II) Dept., dated02.11.2021
5.Revised PMKKKY Guidelines issued by Ministry of Mines,GOI, dated 15.01.2024
6.From the C&DMG, AP., vide single file INC01-MG0RULS/1/2024-M-III, Dt:16.07.2025.

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O R D E R

In the G.O 1st read above, the Government of Andhra Pradesh issued rules for the establishment of District Mineral Foundations, the manner of working and receipt of contributions thereto,all mineral bearing Districts, for the interest and benefit of persons and areas affectedly mining related operations and for purposes connected therewith.

2. In the G.O 2nd read above, the Government have issued amendments to the District Mineral Foundation Trust Rules, 2016 for effective implementation of the program by nominating officers of SAPF as members in the District Mineral Foundations at the Districts.

3. In the reference 3rdand 4th read above, the Government of Andhra Pradesh issued amendments to AP DMF Rules, 2016 for geographical limits of Directly and Indirectly affected areas, inclusion of nominated officers of SAPF as members in DMFTs, and composition of Governing Council and Managing Committee of DMFTs duly including MPs/ MLAs/ MLCs respectively

4. Further, Ministry of Mines, Government of India in exercise of the powers conferred under the proviso to sub- section (3) of section 9B of the MMDR Act, 1957, vide reference 5th read above issued revised Pradhan Mantri KhanijKshetra Kalyan Yojana (PMKKKY) Guidelines to ensure e· ective utilization of the funds by DMFs and directed the State Governments to incorporate the revised PMKKKY Guidelines 2024 into the rules framed for the District Mineral Foundations and implement the scheme.

5. The Government, after careful examination of the proposals of the Commissioner & Director of Mines & Geology, AP., vide reference 6th read above, have decided to amend the District Mineral Foundation Rules, 2016, incorporating the revised PMKKKY Guidelines 2024 into the rules.

6. Accordingly, the following notification will be published in an Extra Ordinary issue of the Andhra Pradesh Gazette, Dt:06.08.2025.

NOTIFICATION

In exercise of the powers conferred by sub section (4) of section 15, sections 15 A and 21 read with section 9B of the Mines and Minerals (Development and Regulation) Act, 1957 as amended by the Amendment Act, 2015, the Government of Andhra Pradesh hereby makes the following amendments to the Andhra Pradesh District Mineral Foundation Trust Rules, 2016, issued in G.O.Ms.No.36, Industries & Commerce (M-II) dept.,dt:14.03.2016 as subsequently amended.

AMENDMENTS

In the said Rules

I. In rule 2,-

1. In clause (b)
   i. In item (a) of sub-clause (ii), for the expression "10 Kilometers", the expression "15 Kilometers" shall be substituted.
   ii. In sub - clause (iii), after the words "gram panchayats ", the expression "or Urban Local bodies (ULBs) shall be inserted
   iii. In item (a) of sub-clause (vi),
      a. for the expression "within a radius of 10-25 Kilometers", the expression "beyond the directly a▪ ected area and within 25 Kilometers" shall be substituted.
      b. After the expression "Rule 9 of DMF Trust Rules, 2016.", the words "irrespective of whether this falls within the district concerned or adjacent district." shall be added.
   iv. After sub-clause (vi) the following shall be added, namely:
   "((vii) "The DMF shall prepare and maintain an updated list of such directly and indirectly affected areas."

2. For clause (c) the following shall be substituted, namely,-

"(c)The following shall include directly affected persons:

   i. 'A▪ ected family' as defined under Section 3 (c) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013
   ii. 'Displaced family' as defined under Section 3 (k) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013
   iii. Any other as appropriately identified by the concerned gram sabha/ ULB in directly or

indirectly affected area.

iv. Persons a· ected by mining should include people who have legal and occupational rights over the land being mined, those with usufruct and traditional rights, and those whose livelihoods have been affected due to mining.

v. A· ected families should be identified, as far as possible, in consultation with local/elected representatives of gram sabha / Urban Local Body (ULB) in directly or indirectly affected area.

3. Clause (d) shall be omitted

II. In rule 5,-

(1) In rule (i),-

i. In clause (a), for the expression " Collector, or as may be decided by the Government, who shall be its Chairperson & Managing Trustee;" , the expression "The Chairman of Governing Council and Managing Committee shall be the District Magistrate/ Deputy Commissioner/ Collector of the district. No other person shall function as Chairman of the Governing Council and/ or Managing Committee." shall be substituted.

ii. In clause (q), for the expression "Assistant Director, Mines & Geology", the expression "District Mines & Geology Officer" shall be substituted.

iii. In clause (v), the following shall be substituted, namely:

(i)In case of one Member of Parliament (MP) in a district, MP, Lok Sabha of the district shall be a member of the Governing Council.

(ii)In case, there is more than one MP of Lok Sabha in a district, all MPs having mining
affected areas as part of their constituency shall be members of the Governing Council.

(iii)In case, the constituency of one MP of Lok Sabha falls in more than one districts, the MP of Lok Sabha shall be member of the Governing Council of all such districts where mining affected area is a part of his/her constituency.

(iv)In clause (w), for the expression "who in turn shall inform the concerned District Collector", the expression "who in turn shall inform the District Magistrate/ DeputyCommissioner/ Collector concerned" shall be substituted.

(v) In clause (x), for the expression "All Members of Legislative Assembly of the district." shall be substituted by the expression " The Members of Legislative Assembly (MLAs) of the district having mining a· ected area as part of their constituency shall be members of the Governing Council. In case, the constituency of one MLA falls in more than one districts, the MLA shall be member of the Governing Council of all such districts where mining a· ected area is a part of his/her constituency".

(vi) In clause (y), for the expression "who in turn shall inform the concerned District Collector." shall be substituted by the expression

"who in turn shall inform the concerned District Magistrate/ Deputy Commissioner/ Collector"

(2) For sub-rule (iv), the following shall be substituted, namely:

""The District Mines & Geology officer, acting as convenor shall call for meetings of the Council".

(3) For sub-rule (v) the following shall be substituted, namely:

"The Governing Council shall meet at least twice in a year.

Provided that the date of meeting of the Governing Council shall be fixed as per the convenience of the Member of Parliament who are members of the Governing Council".

(4) After sub-rule (v) the following shall be added, namely:

"(vi) The Managing Committee of the DMF shall comprise the District Magistrate/Deputy Commissioner/ Collector as Chairman and senior officers of the district responsible for execution of projects as members. The managing committee shall not have any elected representative or nominated non-official members.'

(vii) The Managing Committee shall meet at least once every quarter."

III. In rule 9

(1) In sub-rule (c)

i. For the expression "55% of the funds may be utilized Sector Wise as follows: ", the expression "70% of the remaining funds may be utilized Sector Wise as follows:" shall be substituted.

ii. For clause (viii), the following shall be substituted, namely,-
"Welfare of aged and differently abled — Special program and medical support for welfare of aged and di· erently abled people and financial assistance to District Disability Rehabilitation Centres (DDRCs)."

iii. The existing proviso under clause (x) shall be omitted.

iv. After clause (x), the following shall be added, namely:

xi. "Housing — Provision of pucca housing for mining a· ected people not covered under Central or State schemes"

xii. Agriculture: Activities related to agriculture, horticulture and agroforestry. Assistance to farmers through trainings, support to FPOs/ collectives/cooperatives, support for setting up of food processing units, storage including cold storage, marketing facilities like market yards etc., plantation, processing of medicinal herbs.

xiii. Animal Husbandry: Promotion of livestock, poultry, piggery, fishery, feed and fodder development and supporting innovation in animal husbandry, Farmers Producer Organizations (FPOs), Self Help Groups (SHGs), Farmer Cooperative Organizations (FCOs).

xiv. Priority shall be given for allocation of funds to ameliorative measures in the a· ected areas for providing Safe Drinking water and Sanitation, Health and Mining related diseases and disorders like Silicosis, TB etc., Women Oriented welfare activity including skill development, and Environmental Protection measures to ensure quality of Air, Water and Soil."

(2) In sub-rule (d)

(i)For the expression "40% of the funds may be utilized for creation of: ", the expression "30% of the remaining funds may be utilized for creation of:" shall be substituted.

(ii)for clause (ii), the following shall be substituted, namely,-

"Developing alternate sources of irrigation including check dams and diversion weirs, adoption of suitable and advanced irrigation techniques, assistance for micro irrigation facilities including drip irrigation, assistance for bore wells and pump energization."

IV. In rule 10,-

1.for clause (ii), the following shall be substituted, namely,-

"If the a· ected area of a mine in one district also falls in the jurisdiction of another district (even if it is in another State), such percentage of amount collected from the mine by the Foundation, in proportion of a· ected areas, shall be transferred to the Foundation of the other district concerned for taking up the activities in such areas"

V. In rule 11, for clause (ii), the following shall be substituted, namely,-

(ii) (a) reasonable sum not exceeding 10% of the annual receipts should be kept as endowment fund for providing sustainable livelihood.

(b)The districts having annual collection of Rs.10 crore or more shall maintain an endowment fund.

(c)The endowment fund may be invested in government securities/bonds and FDs of scheduled banks and other instruments as are permitted by the State Government.

(d)The endowment fund should be used for creating & sustaining livelihoods in areas where mining activity has stopped due to any reason including exhaustion of mineral."

VI. In rule 13

1.In clause (i), after the words "for such procurements", the words "Procurement through GeM portal should be preferred", shall be added at the end.

2. for clause (iii), the following shall be substituted, namely,-

"Transfer of fund to all agencies and beneficiaries shall be into their bank account."

VII. In rule 14,

1. (1) for sub-rule (a), the following shall be substituted, namely,-

"(a)Each Foundation will prepare and maintain a website/ or a specific section on the website of the District Administration on which, inter-alia, the following information will be hosted and kept updated: -

i. Details of composition of the Governing Council and Managing Committee of DMF/by whatever name called.
ii. List of areas and people a· ected by mining. The DMF shall prepare and maintain an updated list of such a· ected areas and people. The list shall be revisited to update at least once every 5 years.
iii. Quarterly details of all contributions received from lessees and others.
iv. All agenda, minutes and action taken reports (ATRs) of the DMF
v. 5 years Perspective Plan, details of investment of endowment fund, Annual Plans and budget, work orders and Annual Report within 30 days of issuance of these amendment rules.
vi. Online status of ongoing works — implementation status/ progress of all the projects/programs being undertaken under DMF should be made available on the website, including description of work, details of beneficiaries, estimated cost, name of implementing agencies, expected date of commencement and completion of work, financial and physical progress up to the previous quarter etc.
vii. List of beneficiaries under various welfare programs.
viii. Voluntary disclosures under RTI Act."

(2) After sub-rule (a), the following shall be added, namely:

"(b) Restriction on fund transfer from DMF — In respect to the DMF funds of the districts:

i. The provisions of Section 9B of Act shall be strictly adhered to in respect of utilization of funds by the DMF.
ii. No fund shall be transferred in any manner from the District Mineral Foundations to the State exchequer or State level fund

(by whatever name called) or Chief Minister's Relief Fund or any other funds or schemes; and

iii. No sanction or approval of any expenditure out of the fund of the District Mineral Foundation shall be done at the State level by the State Government or any State level agency.

iv. No fund shall be spent outside directly or indirectly a· ected areas within a district or for other than affected people.

v. The approval of expenditure of funds from DMF lies solely with the Governing Council of DMF.

vi. The State Government or State level Committee (by whatever name called) shall not have overarching authority on sanction of projects, approval of funds/ expenditure and their function shall be limited to monitoring effective implementation of projects sanctioned under DMF"

VIII. In rule 16, for the existing paragraph, the following shall be substituted, namely,-

"(i)The accounts of the DMF shall be audited by the Comptroller and Auditor General (CAG) as per schedule decided by CAG.

(ii)The accounts of the DMF shall be audited every year by a Chartered Accountant appointed by the DMF, or in such other manner as the Government may specify, and the report thereof shall be placed in the public domain along with the Annual Report.

IX. After rule 29, the following Rule shall be added, namely,-

"30. General Guidelines

a. <u>Project Management Unit:</u>

i. An amount collected under rule 9 (a) and (b) of these rules shall be utilized for administrative, supervisory and overhead costs of the Foundation.

ii. As far as possible, no temporary/ permanent posts should be created under the DMF.

iii. Any creation of temporary/permanent posts and purchase of vehicle by the foundation shall require prior approval of the State Government. However, minimum required sta· can be engaged on contractual basis.

iv. In order to enhance the capacity of the DMFs and for e· ective utilization of DMF funds, the DMF with annual collection in the excess of Rs. 50 crores shall set up a Project Management Unit for planning, technical, accounting and monitoring support and the cost of such PMU may be met from administrative expenses collected under Rule 9 (b) of these rules.

v. The PMU may engage required qualified manpower on contractual basis. Engagement of personnel for projects under the DMF shall be purely contractual for a limited period only.

b. Grievance Redressal:

i. The DMFs shall devise and implement a grievance redressal mechanism so that each grievance is redressed, and a suitable reply is given to the complainant within 30 days of making a complaint to the Collector or any other officer as may be notified.
ii. The State Government may, on receipt of any complaint/public grievance shall ensure each grievance is redressed by DMF and a suitable reply is given to the complainant within the stipulated timeframe.
iii. The Central Government may, on receipt of any complaint/public grievance regarding improper utilization of DMF funds, poor implementation of projects or violation of PMKKKY guidelines:

a. Refer the complaint to the State Government for submitting a detailed Action Taken Report. The State Government shall submit a detailed Action Taken Report within 2 months from receipt of reference from the Government of India.
b. Alternatively, if it considers fit, the Central Government may get an inquiry conducted by a Central team, or any third party on such complaint.
c. On receipt of the Action Taken Report by the State Government or report of Central Team or
the third party, the Central Government shall direct the State Government to take necessary corrective measures within one month of receipt of such direction.
d. The State Government shall submit a report on implementation of corrective measures

c. Compliance Mechanism:

i. In case, a DMF

a. fails to maintain an endowment fund as mandated in Rule 11 (ii)
b. transfers any fund in violation of Rule 14 (b)
c. fails to comply with any of the clauses in Rule 14 (a)
d. fails to get the accounts audited as mandated in Rule 16
e. fails to prepare and publish annual report as mandated in Rule 14 (a)
f. fails to follow directions of State Government or Central Government in Rule 30 (b).

ii. In case of arising circumstances as per clause (i) above, the State Government or the Central Government may direct —

a. Suspension of sanction of any or all new works or execution of any or all of already sanctioned works: and/or
b. suspension of release of funds for any or all the works by the bank(s) where DMF fund is deposited or the bank account of the executing agencies where funds have been transferred from DMF.

iii. The State Government or the Central Government may, after being satisfied that necessary corrective measures have been taken, withdraw such suspension.

iv. In case any direction under clauses (ii) or (iii) above is given by the Central Government the
withdrawal of such direction shall only be done by the Central Government

d. State Level Monitoring Committee:

i. A "State Level Monitoring Committee" shall be constituted at the State level under the Chairpersonship of the Chief Secretary with Secretaries of executing Departments, Finance and Planning Department, and one representative of Ministry of Mines, Government of India as members.

ii. The Secretary of Mines and Geology Department shall be the Member Secretary of the "State Level Monitoring Committee".

iii. The Directorate of Geology and Mining shall constitute a cell to be called "State Level Nodal DMF Cell" for monitoring activities of DMFs in the State and shall act as the Secretariat to the State Level Monitoring Committee.

iv. The State Level Monitoring Committee shall monitor performance of DMFs and compliance of transparency norms, audit and annual report of DMFs.

v. The State Level Monitoring Committee shall meet at least twice in a year."

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

PRAVIN KUMAR
SECRETARY TO GOVERNMENT (MINES)

To
The Commissioner of Printing, Stationary & Stores Purchase, Vijayawada, A.P.,
(He is requested to publish the above Notification in the Extra Ordinary issue of A.P. Gazette, with immediate effect and arrange to send 500 copies of the same to Government in Industries & Commerce(M.II) Department).
The Commissioner and Director of Mines & Geology, Ibrahimpatnam, Andhra Pradesh.
All District Collectors in the State.
All Joint Collectors in the in the State
All the Addl./Joint/ Deputy/ Asst. Directors of Mines & Geology. (Through the Commissioner and Director of Mines & Geology)
All Departments of A.P. Secretariat, Velagapudi.
The Commissioner of Panchayat Raj, Tadepalli.
The Commissioner and Director of Municipal Administration, Mangalagiri.
The Commissioner of Industries.
The Commissioner Higher Education and Secondary Education Department.
The Commissioner Agriculture Department.
The Commissioner Tribal Welfare Department,

The Engineers-in-Chief Irrigation, R&B and Panchayat Raj Departments.
The Chief Executive Officer, SERP.
The P.O ITDA/DTWO
The P.O DRDA
The SE (PR/RWS/TW/
The P.O (RVM)
The G.M, DICs.
The CEO, ZP.
The D.P.O
Copy to:
The Secretary to Government of India, Ministry of Mines, New Delhi.
The Law (H) Department.
The OSD to Hon'ble Minister (Mines)
The PS to the Secretary to Government (Mines)
SF/SC

//FORWARDED:: BY ORDER//

SECTION OFFICER